## DEPARTMENTAL PROCUREMENT (STATE)

## Summary:

This directive establishes policies and procedures to provide definitive guidance and instructions for the procurement of supplies, materials, equipment, services and construction within the Department of Emergency and Military Affairs (DEMA).

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## CHAPTER 1 - GENERAL

#### 1.0 REFERENCES

- 1.1 State of Arizona Procurement Code
- 1.2 State of Arizona Procurement Policies and Procedures
- 1.3 Office of Management and Budget (OMB) Procurement Standards

## 2.0 PURPOSE

The purpose of this directive is to establish guidelines relating to the procurement, management and control of supplies, materials, equipment, construction, and contractual services within the Department of Emergency and Military Affairs (DEMA).

## 3.0 SCOPE

This pamphlet is applicable to all personnel under the direction of DEMA who are involved in the management of financial resources and/or procurement, who have been appointed or directed, in writing, by higher authority to perform such duties.

#### 4.0 DEFINITIONS

Words, as they appear in this publication, shall have the meanings set forth below, unless the context dictates otherwise.

A.C.I. means the Arizona Correctional Industries, a state sponsored operation which may sell directly to other state activities.

A.I.B. means the Arizona Industries for the Blind, a state sponsored operation which may sell directly to other state activities.

<u>Business</u> means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

<u>Change Order</u> means a written order signed by the Contracting Officer, directing the Contractor to make changes, which the Changes Clause of the contract authorizes the Contracting Officer to order, without the consent of the Contractor.

<u>Contract</u> means any type of State Agreement, regardless of what it may be called, for the procurement or disposal of supplies, materials, equipment, construction, or contractual services.

<u>Contract Modification</u> means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

<u>Contracting Officer</u> is an individual appointed in writing by an authorized representative of the State Government to enter into and administer contracts and make findings and determinations with respect thereto on behalf of the State of Arizona.

Contractor means any person having a contract with the State of Arizona or DEMA.

<u>Contractual Services</u> means the furnishing of labor, time or effort by a Contractor, not involving the delivery of a specified end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements, collective bargaining agreements, or professional services.

Data means recorded information, regardless of form or characteristic.

<u>Designee</u> means a duly authorized representative of a person holding a superior position.

<u>Division Director</u> means one of the two division directors, either for the Division of Emergency Management or the Division of Military Affairs. For the purpose of this directive, this is expanded to include the Chief of Staff for the Army National Guard, the Commander of the Air National Guard and the DEMA Resource Manager.

<u>Employee</u> means an individual drawing a salary from a governmental body, whether elected or not, and any non-compensated individual performing personal services for any governmental body.

Equipment (CAPITAL) includes machinery, vehicles, compressors, computer hardware and peripherals, etc., having an identity that does not change with use, on which inventory records are maintained, having an original cost of more than \$1,000 and a probable life of one or more years. The Comptroller's Object Code for Capital equipment will be 8100 or higher.

<u>Equipment (NON-CAPITAL)</u> includes office machines such as calculators, computer software, electric pencil sharpeners and electric time stamps; office furnishings such as cabinets, bookcases, credenzas, and desks; serial numbered items such as binoculars,

contractual service, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.

<u>Procurement Office (State)</u> means the procurement office within the Department of Emergency and Military Affairs that provides procurement actions utilizing State of Arizona procurement procedures.

<u>Program Manager (in some instances referred to as Fund Manager)</u> is an individual who has been formally appointed, by proper authority, to be responsible for one or more of the budget sub-programs for planning, budget preparation, review and budget execution of that (those) program(s).

Requestor is any individual employed under either of the Divisions who has need for a procurement and initiates a DEMA Form 005, Requisition for Goods and/or Services.

Resource Manager at DEMA level is responsible to the Adjutant General for Department procurement actions, administration, budget and accounting. NOTE: Resource Manager at Camp Navajo is responsible to the Camp Navajo Commander for procurement, administration, budget and accounting actions for Camp Navajo (as authorized by the DEMA Resource Manager). For procurement actions under \$1,000, acts as the Comptroller's Designee.

Requisition for Goods and/or Services, DEMA Form 005, is used to requisition, receipt for, and pay claims for supplies, materials, equipment, construction and/or contractual services; by Procurement Manager to contract; and, by Comptroller to record encumbrances and expenditures. Further, is used as a Purchase Order for numerous encumbrances as determined by the State Accounting Office.

<u>Service</u> is a Contract/Purchase Order in which the primary procurement is for a person's time and skills and for which any tangible product produced is incidental or of less cost than the labor. Engraving, laundry and dry cleaning, trash pick-up, and janitorial service are all examples of services.

<u>State Procurement Office</u> means the State of Arizona, Department of Administration, procurement office which governs all State of Arizona procurement actions and issues State Contracts which must be used by all agencies of the State of Arizona.

Supplies means all goods other than services, equipment, construction, or real property.

<u>Termination</u> is the act and procedure of cancelling an active contract either for convenience of the State or for contractor's default (breach of contract).

<u>Unit Buyer</u> is an individual assigned to one of the ANG units or to Camp Navajo who is responsible for providing authorized procurement actions, in accordance with this regulation, in support of the Base Engineer (ANG units) or Resource Manager (Camp Navajo).

## 5.0 POLICY AND OBJECTIVE

The policy and objective of this directive is to facilitate economical and timely procurement required for DEMA personnel to accomplish their assigned tasks. Each procurement shall be accomplished in strict compliance with the Arizona State Procurement Code and associated Procurement Rules and Regulations. This directive will:

- Identify the organization of the DEMA Procurement Office (State).
- Establish and explain the authority and responsibilities of the DEMA Procurement Office (State).
- Provide for appointment and identify responsibilities of Program Managers within DEMA.
- Identify normal DEMA Form 005, Requisition for Goods and/or Services, (Form 005) procurement document routing and certification.
- Provide instructions for completing the Form 005.
- Establish procedures for Small Purchases (under \$1,000/\$200).
- Establish procedures for reimbursement, to individuals, for petty cash expenditures for supplies and materials (not to exceed \$35.00 per transaction).
- Enable personnel with delegated authority to acquire needed supplies, materials, equipment, construction, and contractual services from commercial sources in a timely manner (not to exceed the dollar amount authorized), or from a State Contract, Arizona Correctional Industries (A.C.I.), and Arizona Industries for the Blind (A.I.B.).
- Establish DEMA procedures for Emergency Procurement.
- Establish procedures for Blanket Purchase Orders.

- Establish procedures for telephone coordination and issue of purchase order numbers for certain urgent procurements.
- Establish DEMA procedures for Sole Source Procurement.
- Define normal procurement lead times.
- Establish procedures for procurement of labor services.
- Provide information concerning Violations, Liability, Enforcement of the Procurement Rules and Regulations, and Authority of the Attorney General, State of Arizona. Should there be any conflict between the policies and procedures promulgated herein and the Arizona Procurement Code or associated Arizona Administrative Code Rules and Regulations, the Code shall take precedence.

## **CHAPTER 2**

## **PROCUREMENT**

## 6.0 ORGANIZATION

The Procurement Office (State) is a section within DEMA, organized under the Resource Manager. The office is physically located in Building Number 350, Papago Military Reservation, 5636 East McDowell Road, Phoenix, Arizona 85008-3495. Main telephone number is (602) 267-2699. Organization of the Procurement Office is as depicted in Attachment #1 to this directive.

## 7.0 AUTHORITY AND RESPONSIBILITIES

The Procurement Office (State), hereinafter referred to as Procurement Office, shall, unless otherwise noted will:

- Serve as the centralized procurement office for all activities within DEMA, including both the Division of Military Affairs and the Division of Emergency Management, and has sole authority to effect the procurement of supplies, equipment, materials, construction, and contractual services.
- Provide an adequate number of qualified procurement and support personnel to manage the procurement operations during normal day-to-day operations as well as emergency situations.
- Update policies and procedures for the normal and emergency procurement of supplies, equipment, materials, construction, and contractual services.
- Ensure compliance with applicable federal and state laws, codes, statutes, rules and regulations.
- Control all purchase order numbers. The Procurement Office will develop, assign, issue and log purchase order numbers. Purchase order numbers will be unique and sequential. Starting in state fiscal year 96, a single series of purchase order numbers will be utilized. The number will consist of five numbers and two alpha characters. The first digit will identify the state fiscal year in which the purchase order was issued (i.e. 6 for FY96, 7 for FY97, etc.). The second four digits will be consecutive numbers starting with 0001. The last two digits will be alpha characters which will

signify the cooperative agreement/source of funds. Some examples of possible purchase order numbers are:

70001-MA 60003-MA 70005-AR

70002-ES 70004-SH

For activities having delegated procurement authority, blocks of purchase order numbers will be issued for unit buyers to use to place orders with vendors.

 Serve as the centralized authority for issuance of Interagency service agreements (ISA) and Intergovernmental agreements (IGA) on behalf of DEMA.

## 8.0 PROGRAM MANAGERS

Program Managers will be appointed in writing for programs within the Division of Emergency Management by the Director of the Division of Emergency Management, or by the Resource Manager for all other programs. In addition, the Resource Manager may appoint an Activity Manager within a program based on the recommendation of the Program Manager.

- 8.1 A Department Program Manager Appointment Form and an Activity Program Manager Appointment Form are included herein as Attachment #7 and Attachment #8, respectively.
- 8.2 Each Program Manager (or Activity Manager if applicable) shall be responsible for insuring that expenditures from funds provided in their specific program are, in fact, allowed and authorized within the scope of the funding source. Further, the Program Managers (or Activity Manager if applicable) shall have sole authority to authorize expenditures from their program funds so long as such expenditures are within the scope of fund source, and in compliance with this directive.
- 8.3 Program managers are tasked with the responsibility to ensure funds in their control are spent in a reasonable and acceptable manner. It is important that the nature of the money be kept in mind. All monies are taxpayer funds and must be spent in the taxpayers' best interest.
- 8.4 Article 9, § 7 of the Arizona Constitution generally precludes the State and its political subdivisions from making gifts or incurring expenses that will not directly or indirectly benefit the State. Numerous court cases have interpreted this constitutional provision. The following passage is particularly relevant. "Public funds are to be expended only for public purposes and cannot be used to foster or promote purely private or personal

interests of any individual. In determining whether a proposed expenditure of public funds is constitutionally valid as being devoted to a public use or purpose, no hard and fast rule can be formulated; rather, each case must be decided with reference to object sought to be accomplished and with reference to the degree and manner in which such object affects the public welfare." Town of Gila Bend v. Walled Lake Door Co. (1971).

Specific questions to be answered prior to any purchase include:

- 1) What value will the State accrue because of the expenditure?
- 2) Is the expenditure crucial to the operation of the agency?
- 3) Is it intended to be an eligible expenditure in the appropriation or by the authority creating the public fund? and
- 4) A more practical question, what would be the reaction of the agency director, the Governor, and the public if the details of that expenditure made the 6:00 news? While the first three questions relate to the constitutional restrictions, the last question is often the deciding factor in making a purchase.
- 8.5 Following is a list of items and services that generally should not be purchased. It is not meant to be all-inclusive but only serves as a guideline:
  - a. ITEMS TO BE GIVEN AWAY. Public funds should generally not be used to purchase items to give away as rewards, incentives and advertising. This is especially true for gifts for transfers, promotions and retirements of DEMA employees. Employee-of-the-Quarter plaques and other recognition items (such as certificates and small emblematic tokens) may be appropriate if they are of a nominal value.
  - b. FOOD AND REFRESHMENTS. Food and refreshments for group meetings are an area that is usually dealt with on a case-by-case basis. The purchase of food and refreshments out of public funds for group meetings of state employees is not a valid public purpose in most instances. The purpose of group meetings changes as members of the public are included. If members of the public are attending meetings conducted by State agencies for the benefit of or to assist state agencies, light refreshment (coffee, soft drinks, cookies) may be appropriate. Commercial training sessions or seminars in which meals and refreshments are included in the cost and offered for all attendees may be appropriate. Supplying refreshments and food to state employees at weekly or monthly staff or training meetings is not appropriate.

During emergency situations in which DEMA is responding in an official capacity, the purchase of meals for DEMA employees, state and other governmental

employees, the general public and National Guard personnel, regardless of status, may be authorized by the director of Emergency Management or other program managers as appropriate.

c. ITEMS FOR PERSONAL USE BY EMPLOYEES. Expenditures to the benefit of DEMA employees are not appropriate unless directly related to state business. Examples of items that should not be bought include:

Flowers for employees or family members.

Bottled water.

Personal newspapers and magazines.

Clothing unrelated to work.

Commercial training seminars for personal enrichment (i.e. speed reading classes.)

Microwaves, coffee makers and refrigerators strictly for employees use.

Acceptable exceptions for these appliances could be made for locations where no cafeteria or food service operation is either in the same building or within reasonable walking distance. Items such as ergonomic chairs might be defended as appropriate in the interest of health reasons especially if prescribed by a physician.

d. ITEMS OF AN EXTRAVAGANT NATURE. Program managers must always remain aware of the nature of public funds and avoid purchases that are extravagant or would even appear extravagant to the public. Examples include such things as:

Expensive leather briefcases and schedulers.

"Cross" or "Waterman" type pens and pencils.

AM/FM stereo cassette players for government vehicles.

Commercial detailing of government vehicles.

Solid brass desk accessories.

Replacing unworn office carpet just to change the color.

## 9.0 PROCEDURES

9.1 NORMAL PROCUREMENT PROCEDURES: Detailed instructions to initiate and consummate a procurement through the Procurement Office under normal day-to-day procedures are provided below. A flow chart that graphically reflects the normal flow and responsibilities of each action office as related to a normal procurement action is included as Appendix A. ALL EQUIPMENT PROCUREMENT MUST BE APPROVED BY THE DEPARTMENT RESOURCE MANAGER.

- 9.1.1 ORIGINATOR RESPONSIBILITIES: The Originator initiates a Form 005 which establishes the requirement for a procurement. The Originator must:
  - Identify the commodity;
  - Provide a full description of the commodity;
  - Provide detailed specifications for the commodity; and
  - Provide the name and local (or out-of-state) telephone number of his/her recommended vendor (if available).

## 9.1.2 PROGRAM MANAGER RESPONSIBILITIES:

Upon receipt of the Form 005 from the Originator, an evaluation is made for validity of the request.

If the request is considered invalid, the Program Manager rejects the Form 005 and returns it to the Originator with written comments identifying the reason(s) for rejection.

If the request is considered valid, the Program Manager:

- Identifies the fund source;
- Determines if the procurement is within the scope of the funding authority;
- Determines if funds are available within the program to fund the procurement;
- Amplifies the specifications (if necessary);
- Provides a cost estimate;
- Signs the first "Approval" block; and
- Forwards the Form 005 to the Comptroller.

By signing the Form 005, the Program Manager certifies that the procurement is within the scope of the funding authority and that funds are available from the fund source for this procurement.

## 9.1.4 PROCUREMENT OFFICE RESPONSIBILITIES

Based on the estimated amount of the procurement and availability of the commodity or service on a State Contract, or through A.C.I. or A.I.B., determines the procurement method.

Solicits the commodity or service as expeditiously as possible and identifies the true dollar amount of the procurement. If the amount of the procurement is not within the estimate provided, communicates with both the Program Manager and Comptroller for approval to award.

If approved, assigns a requisition number, awards the contract, establishes a delivery date, and provides Program Manager with confirmation and receiving copies of the Form 005. Provides Comptroller with Purchase Order.

IF NOT APPROVED by either the Program Manager or the Comptroller/Fiscal Manager, the Form 005 is returned to the Program Manager without any further action. Information will be provided the Comptroller/Fiscal Manager concerning the cancellation of the procurement.

## 9.1.3 COMPTROLLER RESPONSIBILITIES

Determines if the identified account and activity codes are proper and ascertains if funds are physically available in the account.

If funds are not available within the account, the Form 005 is returned to the Program Manager with a notation that funds are not currently available. An estimate of when adequate funds are anticipated shall also be noted.

If funds are available in the account, signs the second "Approval" block and forwards to the Procurement Office.

## 9.2 DELEGATED AUTHORITY

The small purchase option procedures outlined below are intended to facilitate the processing of small procurement actions and minimize the cost of acquiring such items; however, delegated personnel may elect not to use these options. Delegated personnel may submit all Forms 005 to the Procurement Office for procurement action regardless of the dollar amount. Procurement Office personnel are always available and willing to provide support on small, as well as large, procurement actions. A flow chart which graphically reflects the normal flow and responsibilities of each action office as relates to a DELEGATED procurement action, is included as Appendix B.

## 9.2.1.1

In order to provide procurement flexibility, certain personnel within DEMA are delegated procurement authority by letter from the Procurement Manager. Delegated personnel may procure required commodities directly under this small purchase option without action by the Procurement Office. This small purchase option may be used as follows:

- a. On transactions of \$1,000 or less for facilities maintenance, supplies, and materials by:
  - Base Engineer, 161st Air Refueling Group (ANG).
  - Base Engineer, 162nd Fighter Group (ANG).
  - Resource Manager, Camp Navajo.
- b. On emergency transactions of \$500 or less for the acquisition of maintenance items, supplies, services and materials needed to make repairs directly affecting the health, safety and welfare of personnel by the Facilities Director, Division of Military Affairs. These emergencies include such items as clogged plumbing, inoperative heating/cooling systems, broken locks, etc. and will be made only when the Procurement Office is closed. A Form-005 will be submitted to the Procurement Office on the next business day and shall include sufficient documentation to identify and process the requisition.
- 9.2.1.2 The following procedures must be accomplished prior to making any procurement.
  - a. Delegated personnel must determine that the commodity is not available through a State Contract, A.C.I., or A.I.B. The Procurement Office will provide this information upon request.
  - b. Delegated personnel shall prepare a Form 005, completing the form in accordance with instructions contained in paragraph 9.2.2, herein.
  - c. Delegated personnel must ensure, prior to causing the procurement, that appropriate and adequate funds are available by having obtained the signature or initials of both the program manager, who attests the propriety of the procurement under the scope of the funding source, and certifies that funds are available from that funding source, and the Comptroller who certifies that funds are physically available in the account to provide for the procurement.

- d. Delegated personnel must ensure that either the Form 005 includes a description of the commodity and associated costs (to include taxes and delivery charges) in sufficient detail to determine precisely what was procured (do not list "Miscellaneous Lumber Supplies", "Miscellaneous Office Supplies", etc., list each specific item and quantity), OR, attach to the Form 005 a sales document from the supplier which contains the following information:
  - (i) Name and address of the supplier.
  - (ii) Description of each commodity.
  - (iii) Quantities of each commodity.
  - (iv) Unit price of each item and total amount of the order including tax, and delivery charges, as applicable.

The green copy of the Form 005 may be retained by the Originator.

The white Procurement) pink and goldenrod copies of the completed Form 005, with a copy of the sales document attached, if applicable, will be forwarded to the Procurement Office for review, signiture and distribution.

Delegated personnel are directed not to split requirements in order to circumvent the \$1,000 or \$200 limits.

- 9.2.2 REQUISITION FLOW INSTRUCTIONS (ANG UNITS & CAMP NAVAJO) for Procurement Under \$1000.
- 9.2.2.1 ORIGINATOR RESPONSIBILITIES: The Originator initiates a Form 005 which establishes the requirement for a procurement. The Originator must:
  - Identify the commodity;
  - Provide a full description of the commodity; or
  - Provide detailed specifications for the commodity; and,
  - Provide the name and local (or out-of-state) telephone number of recommended vendor (if available).

- d. Delegated personnel must ensure that either the Form 005 includes a description of the commodity and associated costs (to include taxes and delivery charges) in sufficient detail to determine precisely what was procured (do not list "Miscellaneous Lumber Supplies", "Miscellaneous Office Supplies", etc., list each specific item and quantity), OR, attach to the Form 005 a sales document from the supplier which contains the following information:
  - (i) Name and address of the supplier.
  - (ii) Description of each commodity.
  - (iii) Quantities of each commodity.
  - (iv) Unit price of each item and total amount of the order including tax, and delivery charges, as applicable.

The green copy of the Form 005 may be retained by the Originator.

The white Procurement) pink and goldenrod copies of the completed Form 005, with a copy of the sales document attached, if applicable, will be forwarded to the Procurement Office for review, signiture and distribution.

Delegated personnel are directed not to split requirements in order to circumvent the \$1,000 or \$200 limits.

- 9.2.2 REQUISITION FLOW INSTRUCTIONS (ANG UNITS & CAMP NAVAJO) for Procurement Under \$1000.
- 9.2.2.1 ORIGINATOR RESPONSIBILITIES: The Originator initiates a Form 005 which establishes the requirement for a procurement. The Originator must:
  - Identify the commodity;
  - Provide a full description of the commodity; or
  - Provide detailed specifications for the commodity; and,
  - Provide the name and local (or out-of-state) telephone number of recommended vendor (if available).

- The description of the commodity, or specifications, can never be too detailed. If a brand name of the commodity is listed, at least two acceptable alternate brand names must be provided.
- Upon completion of his/her portion of the Form 005, he/she forwards same to the Fund Manager.

## 9.2.3 FUND MANAGER RESPONSIBILITIES:

Upon receipt of the Form 005 from the Originator, an evaluation is made for validity of the request.

If the request is considered invalid, the procurement is rejected, and the Form 005 is returned to the Originator with written comments identifying the reason(s) for rejection.

If the request is considered valid, the Fund Manager:

- Identifies the fund source;
- Determines that the procurement is within the scope of the funding authority;
- Determines if funds are available within the program to fund the procurement;
- Amplifies the specifications (if necessary);
- Provides a cost estimate (in the notes section at bottom of page);
- Signs the first "Approval" block; and
- Forwards the Form 005 to the Comptroller's Designee.
- By signing the Form 005, the Fund Manager certifies that the procurement is within the scope of the funding authority and that funds are available from the fund source for this procurement.

## 9.2.4 COMPTROLLER'S DESIGNEE RESPONSIBILITIES

Determines if the identified INDEX, COMP OBJ, and PCA codes are proper and ascertains if funds are available in the account.

If funds are not available within the account, the Form 005 is returned to the Fund Manager with a notation that funds are not currently available. An estimate of when adequate funds are anticipated shall also be noted.

If funds are available in the account, signs the Comptroller "Approval" block and forwards to the Unit Buyer.

## 9.2.5 UNIT BUYER RESPONSIBILITIES

Based on the availability of the commodity or service on a State Contract, through A.C.I. or A.I.B., determines the method of procurement;

Solicits the commodity or service as expeditiously as possible and identifies the dollar amount of the procurement (must be less than \$1,000 unless on State Contract). If the amount of the procurement is not within the estimate provided, communicates with both the Fund Manager and Comptroller's Designee for approval to award;

If the increase from the estimate IS NOT APPROVED by either the Fund Manager or the Comptroller's Designee, the Form 005 is returned to the Fund Manager without any further action.

If approved, establishes a delivery date, assigns a purchase order number in the "Purchase Order number" block, sends the Vendor copy to the vendor, retains the green copy and forwards all other copies to the Procurement Office.

#### 9.2.6 PROCUREMENT OFFICER RESPONSIBILITIES:

Reviews the procurement to assure compliance with the Procurement Code and this Regulation;

If approved, signs and dates the P&C Officer "Approved" block, sends the pink copy to the Comptroller, and files the green copy.

Should the Procurement Manager find problems with the procurement procedure taken, he/she will attempt to cancel the procurement and brief unit personnel on the errors made. CONTINUED ERRORS ENCOUNTERED WILL PROVIDE CAUSE FOR DISCONTINUANCE OF PROCUREMENT AUTHORITY.

9.3 REQUISITION FLOW INSTRUCTIONS (ANG Units and Camp Navajo) for Procurement Over \$1,000.

## 9.3.1 ORIGINATOR RESPONSIBILITIES

Same as for under \$1,000

## 9.3.2 FUND MANAGER RESPONSIBILITIES

Same as for under \$1,000

## 9.3.3 COMPTROLLER'S DESIGNEE RESPONSIBILITIES

Same as for under \$1,000

## 9.3.4 UNIT BUYER RESPONSIBILITIES

Based on the estimated dollar amount of the request, and availability of the commodity or service on a State Contract, through A.C.I. or A.I.B., determines the method of procurement.

If the commodity is neither on State Contract nor available through A.C.I. or A.I.B., Buyer forwards the Form 005 to the Procurement Office for procurement action. However, the Buyer, if the estimate is between \$1,000 and \$5,000, MAY solicit three or more oral quotes for the commodity and forward that documentation along with the Form 005 to the PO for procurement action; and, if the estimate is between \$5,000 and \$10,000, the Buyer MAY solicit three or more written quotes for the commodity and forward those quotes along with the Form 005 to the Procurement Office for procurement action.

## 9.3.5 PROCUREMENT OFFICER RESPONSIBILITIES

Solicits the commodity or service as expeditiously as possible and identifies the true dollar amount of the procurement. If the amount of the procurement is not within the estimate provided, communicates with the Fund Manager and Comptroller for approval to award.

If approved, establishes a delivery date, assigns a <u>purchase order number in the "Purchase Order number block, sends the Vendor copy to the vendor, retains the green copy and forwards all other copies to the Procurement Office.</u>

If the increase IS NOT APPROVED by either the Fund Manager or Comptroller, the Form 005 is returned to the Fund Manager with details of why the procurement was cancelled.

9.4 STATE CONTRACT, A.C.I., AND A.I.B. PROCUREMENT: Delegated personnel, identified in paragraph 4b (1) (a), above, may procure materials, supplies, equipment and/or services under this provision up to delegated dollar limitation, and without action by the Procurement Office. HOWEVER, PRIOR TO INITIATING THE PROCUREMENT, THE SAME PROCEDURES AS THOSE REQUIRED FOR OPEN MARKET PROCUREMENT APPLY. A determination must be made that the commodity is on a State Contract or is listed on the Microfiche as approved for procurement from A.C.I. or A.I.B. (A Procurement Agent will provide this information If the commodity is not available through these sources, the upon request). procurement may not be made by this procedure. If the commodity on the State Contract does not meet the particular needs of the delegated personnel, an PROCUREMENT AUTHORIZATION (SPO Form 150, OFF-CONTRACT Attachment #2), must be completed and submitted to the Procurement Office for Approval by the State Procurement Administrator for the further processing. Off-Contract Procurement Request must be received before procurement action may be effected. If approval of an off-contract procurement is received, and if the commodity is estimated to exceed \$1,000, normal competition from the marketplace must be obtained before the procurement may be made.

## 9.5 EMERGENCY PROCUREMENT

- 9.5.1 The Procurement Office will provide immediate procurement support to satisfy emergency requirements of DEMA during normal duty hours.
- 9.5.2 A bona fide emergency condition may arise by reason of natural disasters, riots, and major equipment failures which threaten the health, welfare or safety of employees or the public. Emergency procedures to be followed by the Department as the result of a declared state of emergency by the Governor are discussed in Paragraph 17.0. The Procurement Office will set aside all routine work and provide immediate and intensive procurement action when an emergency condition results in either of the following:

The capability of an element of an activity to perform its mission is significantly impaired; or

The health, safety or physical well-being of the public, state employees or others is threatened.

- 9.5.3 Should an emergency occur during a time other than normal duty hours, delegated personnel are authorized to perform all procurement functions necessary to adequately cope with the emergency, provided:
  - The total dollar amount necessary to cope with the emergency does not exceed \$10,000;
  - Delegated personnel take whatever steps are necessary to ensure adequate funds are available to pay for the emergency procurement;
  - The emergency procurement is made with as much competition as is practicable under the circumstances;
  - The price(s) is/are reasonable;
  - The emergency procurement is limited to those materials, services, or construction items necessary to satisfy the emergency need; and
  - The Procurement Office is apprised, in writing, of the situation and action taken as soon as possible during the next business day.
- 9.5.4 Emergency procurement in excess of \$10,000 shall be made as follows:
  - An activity seeking emergency procurement action shall prepare a written request documenting the existence of an emergency condition and explaining the procurement need. The request shall be signed at the division director level or higher by an official of the using activity.
  - The request shall be submitted to the Procurement Office for forwarding to the Assistant Director for Finance with a copy to the State Procurement Administrator.
  - The State Procurement Administrator (as authorized by the Assistant Director for Finance) shall determine, in writing, whether to grant approval of the request. If the request is approved, except as provided in paragraphs 9.3.4.4 and 9.3.4.5 below, the determination shall state the manner in which the procurement is to be effected, and the limits of the determination.
  - If the nature of the emergency does not permit submission of a written request, the Procurement Office may make a verbal request of the State Procurement Administrator who may make a verbal determination and delegation. The written

request required above shall be submitted to the State Procurement Administrator within two working days following the initiation of the emergency procurement.

The State Procurement Administrator may approve a written request following the procurement if:

- The emergency required immediate response and it was impracticable to contact State Procurement Administrator;
- The procurement was made with as much competition as was practicable under the circumstances;
- The price paid was reasonable; and
- The written request required above was submitted to the State Procurement Administrator within two working days following the initiation of the emergency procurement.

## 9.6 BLANKET PURCHASE ORDERS:

- 9.6.1 The Blanket Purchase Order (BPO) is a simplified method of filling repetitive needs for small quantities of low cost supplies, materials, equipment or services. The BPO is similar in operation to a charge account.
- 9.6.2 A BPO is appropriate for the following:

Procurement of supplies, materials, or services from State Contracts or those allowed from A.C.I. or A.I.B.

Procurement of miscellaneous, low cost supplies, materials, or services on a multiple or intermittent delivery basis.

BPOs shall not be used to circumvent the requirements for competitive procurement or for the use of State Contracts, A.C.I. or A.I.B.

## 9.6.3 Establishing and using BPOs:

Because the establishment and use of BPOs results in a delegation of procurement authority, they are subject to the approval of the Procurement Manager. Not all requests for BPOs may be approved.

To request the establishment of a BPO, the using Division shall prepare and submit a Form DEMA-005 through normal channels as any other Form DEMA-005. The

Form DEMA-005 must have each of the following eight items clearly stated in the body of the requisition. Attachment 4a is a sample BPO.

- A description of the specific category of supplies, material, or services required.
- (ii) The dollar limit of each line item. Maximum of \$50.00, including taxes and freight.
- (iii) The dollar limit of the transaction. A transaction is the total dollar amount spent for the total purchases on that day. Maximum of \$100.00, including taxes and freight.
- (iv) The total dollar limit of the purchase order. Maximum of \$1000.00 per purchase order. The use of change orders to increase the dollar thresholds is not allowed. Higher dollar limits for items available on State of Arizona (or DEMA) contracts may be approved on a case-by-case basis by the Procurement Manager.
- (v) The time period the BPO is to cover. The BPO will usually cover three (3) months. BPOs may be issued for a twelve (12) month period on a case-by-case basis in unusual circumstances. A BPO shall not extend beyond the current appropriation year end, either federal or state, as determined by the fund source.
- (vi) The statement, "I have read and will comply with the requirements of DEMA Directive 40.2, paragraph 9.6.4. and this purchase order." The name and signature of the individual and alternate who is delegated to place orders under the BPO will be included with the statement. Only one person and one alternate are allowed on each BPO. The person(s) authorized to place orders under the BPO may not also sign the Form 005 as Program or Activity Manager.
- (vii) The customer account number assigned by vendor. Use "n/a" if not applicable.
- (viii) The store number, point of contact, and other information that may be useful.
- 9.6.4 To use the BPO, the following procedures apply.
  - (i) The person delegated on the BPO will be given a copy of the BPO and a Blanket Purchase Order Call Register (Attachment #4). The person delegated on the BPO is responsible for 1) maintaining the Blanket Purchase Order Call Register, 2) for

ensuring that dollar limitations of the BPO are not exceeded, and 3) for ensuring all other requirements of the BPO are met. The person delegated is responsible to ensure purchases made by the alternate, if any, are also in compliance.

The person delegated or alternate will call or visit the vendor to place the order by citing the purchase number on the BPO. They will record each transaction on the Blanket Purchase Order Call Register on the day the order is placed.

- (ii) Each sales slip or delivery document will be signed, dated and kept until the end of the first month by the person delegated. At the end of the first month, the following items shall be sent to the Procurement Office (DEMA-RMC):
  - a. All signed original sales slips or delivery documents accumulated for the month.
  - b. A photocopy of the Blanket Purchase Order Call Register.
  - c. A photocopy of the receiving report (the goldenrod copy of the purchase order). The "Receiving Information" block on photocopy will be marked to indicate partial delivery and amount authorized for payment. The "Received by" block shall be signed by someone other than the person delegated on the BPO.
- (iii) The Procurement Office will review the documents and forward them to the Comptroller for payment.
- (iv) At the end of each subsequent month, the same procedure as above shall apply.
- (v) At the end of the term of the BPO, the same procedure as above shall apply except the <u>original</u> receiving report will be sent to the Procurement Office and the "Receiving Information" block will be marked "complete."
- 9.7 TELEPHONE (CONFIRMING) PROCUREMENT: Numerous occasions occur when Building Maintenance, or other personnel at an outlying facility, determine that an urgent need exists for local vendors or contractors to provide maintenance and/or repair services. Response to these situations is considered vital to maintain esprit de corps, morale, or a monetary savings to the agency. The following procedures shall apply when these situations arise:
- 9.7.1 The procurement will not exceed \$1,000.00.
- 9.7.2 Telephone approval must have been received from the funding source Program Manager.
- 9.7.3 Telephone approval must have been received from the Comptroller.

File: C:\SHARE\97\DIRECTIV\BPOCHANG.97

- 9.7.4 A local vendor or contractor is willing and able to provide materials and/or services necessary to correct the existing deficiencies.
- 9.7.5 Upon assurance by the Procurement Office that the above requirements have been met, a Purchase Order number may be released to the on-site individual.
- 9.7.6 The on-site individual may notify the local contractor that he may proceed with providing materials and/or services required, only after having received the Purchase Order number from the Procurement Office.
- 9.7.7 Within 24 hours of the procurement, either the on-site individual or a representative of the funding source Program Manager, will walk through a Form 005 to the Procurement Office.
- 9.8 SOLE SOURCE PROCUREMENT: In the event a requirement can be satisfied only from a single source or only a specific item available from a single manufacturer will suffice, the user must provide, in written form, clear and convincing evidence to that effect. Final approval for sole source procurement rests with the State Procurement Administrator (with authority of the Assistant Director for Finance) for all actions of \$10,000 or higher. Sole source actions of less than \$10,000 may be approved by the DEMA Procurement Manager. In reality, the only reasonable method to determine if a sole source situation exists, is to test the market place through bidding procedures.

#### 9.8.1 RESERVED

9.9 REIMBURSEMENTS FOR REVOLVING FUNDS: It is recognized that occasions arise when a revolving fund (petty cash) expenditure is the most reasonable method of acquiring a commodity or service. In those instances, DEMA personnel, authorized by the appropriate Program Manager and the Comptroller or Fiscal Manager, may make procurement with "out of pocket" cash (not to exceed \$35.00 on each transaction) and be reimbursed from the Revolving or Petty Cash Fund. Reimbursements will be made in accordance with procedures established by the Program Manager and the Comptroller. These procedures will not be used to circumvent the requirement for competitive procurement or procurement from State Contracts, A.C.I. or A.I.B.

#### 10.0 PROCUREMENT LEAD TIME

Current Procurement Rules and Regulations require that all procurement actions in excess of \$1,000 be based on competitive pricing except for approved emergency and sole source procurement. Pricing for procurement between \$1,000 and \$5,000 are generally obtained by telephone quotes and action on each request is completed within one to three working days. Written quotations are required for procurement between \$5,000 and \$10,000. Users

should anticipate approximately two to three weeks administrative processing and bid time for written quotations. For procurement over \$10,000, formal sealed bids are required. The process for formal sealed bids takes approximately six to eight weeks, assuming the specification or scope of work clearly defines the item(s) required. The foregoing timetables do not include delivery time required by the supplier. Delivery times vary with each item or service procured, depending on availability.

## 11.0 ACQUISITION OF SERVICES

Forms 005 for temporary clerical or industrial labor from State Contract/commercial sources will be forwarded to the Administrative Services Office, DEMA-RMA, for approval prior to submission to the Procurement Office. Administrative Services office personnel must determine that the required temporary help is not available from state personnel pools. If approved by the Administrative Services Officer, the Form 005 must be forwarded to the Procurement Office for further action.

## 12.0 ACQUISITION OF COMPUTER HARDWARE AND SOFTWARE

In accordance with AZ Adm Rule R2-1-505, all procurements for computer equipment, computer software, communications equipment and computer services require approval from the Arizona Department of Administration. Within DEMA, all requests for hardware and software must be submitted through the DEMA Resource Manager (DEMA-RM) in order to obtain DOA approvals. Forms 005 submitted to the Procurement Office must have approvals attached prior to processing.

## 13.0 PAYMENT OF INVOICE DISCREPANCIES

In order to reduce invoice payment timeframes, and to minimize the administrative workload in processing changes orders, the Accounting Office(s) need the ability to make payments when the invoiced amount is not the same as the purchase order total. This is necessary to allow for minor adjustments to purchase orders such as correcting tax variations and adding freight charges.

- 13.1 The Fiscal Service Manager is authorized to make payments without a Procurement Change Order (DEMA FORM 041-12/92) when deemed appropriate in situations where the difference between the invoice and purchase order totals is less than \$50.00.
- 13.2 Any situation in which the charges are unclear or questionable should be referred to the appropriate buyer in the Procurement Office.

## 14.0 VIOLATIONS; LIABILITY; ENFORCEMENT AUTHORITY

- 14.1 A person who procures any material, services or construction in a manner contrary to the requirements of subsection 41-2616, Arizona Revised Statutes, or the regulations promulgated pursuant to that subsection, is personally liable for the recovery of all public monies paid plus twenty per cent (20%) of such amount and legal interest from the date of payment and all costs and damages arising out of the violation.
- 14.2 A person who intentionally or knowingly procures any material, services or construction pursuant to a scheme or artifice to avoid the requirements of A.R.S. § 41-2616, or any provision of the Arizona Procurement Rules and Regulations, is guilty of a "Class 4" felony.
- 14.3 The Attorney General, on behalf of the State, shall enforce the provisions identified above.

The description of the commodity, with specifications, can never be too detailed. If a brand name of the commodity is listed, at least two (2) acceptable alternate brand names must be provided.

Upon completion of his/her portion of the Form 005, he/she forwards same to the appropriate Program Manager.

## 15.0 RESERVED

## 16.0 RESERVED

## 17.0 DECLARED STATE OF EMERGENCY PROCEDURES

On occasion, a state of emergency may arise by reason of floods, epidemics, riots, etc., normally in connection with a Proclamation by the Governor of the State of Arizona. During the state of emergency, requisitions must be prepared and expedited by personnel in the field and by the Purchasing Office. Procedures for these requisitions shall be as follows:

#### 17.1 ORIGINATOR

17.1.1 The Originator in the field determines the initial need for a particular product or service. He/she then contacts J-4 at the Emergency Operations Center via telephone, fax machine or other appropriate means and relays the need in sufficient detail.

## 17.2 J-4 REQUIREMENTS

- 17.2.1 J-4 will receive and coordinate requests from the field for goods and/or services. A decision will be made as to the source of supply to be used (existing warehouse stock, transfer from other activities, etc). Based on the nature of the items and their availability, J-4 may establish a need for a procurement.
- 17.2.2 In order to make the procurement, J-4 will initiate a requisition, Form DEMA-005 (hereafter referred to as Form 005). The form must be legible and should be typewritten if possible.

## 17.2.3 The Form 005 must:

- Identify the commodity;
- Provide a full description of the commodity;
- Provide detailed specifications for the commodity. The description of the commodity, with specifications, can never be too detailed. If a brand name of the commodity is listed, at least two (2) acceptable alternate brand names should be provided, if possible;
- Provide the name and telephone number of the recommended vendor (if available).
- 17.2.4 J-4 will forward the Form 005 to the Arizona Division of Emergency Management (ADEM) Resource Manager by the fastest appropriate means. The ADEM Resource Manager serves as the Comptroller of emergency funds. A fund manager with expenditure authority will be designated as necessary when time allows.
- 17.3 ARIZONA DIVISION OF EMERGENCY MANAGEMENT RESOURCE MANAGER RESPONSIBILITIES:
- 17.3.1 Upon receipt of the Form 005 from J-4, an evaluation is made by the ADEM Resource Manager for validity of the request.
- 17.3.2 If the request is considered invalid, ADEM Resource Manager rejects the Form 005, notifies J-4 and returns it to J-4 with written comments identifying the reason(s) for rejection.

## 17.3.3 If the request is considered valid, ADEM Resource Manager:

- Identifies the fund source;
- Determines if the procurement is within the scope of the funding authority;
- Determines if funds are available within the program to fund the procurement;
- Amplifies the specifications (if necessary);
- Provides a cost estimate;
- Signs the first "Approval" block; and
- Determines the account and activity codes;

AZ CONTRACT AGREEMENT NO: If the commodity is known to be on a State Contract, puts the Contract Number in this block (i.e. 00012AG or 00612AA).

INDEX: Identifies the proper index number.

PCA: Identifies the proper PCA number.

COMP OBJ: Identifies the proper COMP OBJ number.

AGENCY INFORMATION AND APPROVAL: Enters the information (if appropriate) in the following blocks:

- Control No.
- Job/Work Order No.
- Facility No.
- Bldg. No.

The "Bill To" address block shall include "ATTN: Comptroller".

Ascertains if funds are physically available in the account. If funds are not available within the account, J-4 is contacted and the Form 005 is returned to J-4 with a notation that funds are not currently available. An estimate of when adequate funds are anticipated shall also be made.

If funds are available in the account, signs the second "Approval" (Comptroller) block.

The green (Originator) copy is retained. The remaining Form 005 is forwarded to the Procurement Office in fastest appropriate means. In the case of extreme emergency, J-4 may transmit the FORM 005 to the Procurement Office via fax machine and telephone. A sample Form 005 is included as enclosure (1).

## 17.4 PROCUREMENT OFFICE RESPONSIBILITIES

- 17.4.1 Based on the estimated amount of the procurement and availability of the commodity or service on a State Contract, determines the procurement method. If a procurement is to made under emergency rules and procedures, the Procurement Office will coordinate obtaining approvals through the Department Office.
- 17.4. Solicits the commodity or service as expeditiously as possible and identifies the true dollar amount of the procurement. If the amount of the procurement is not within 25 percent or \$200 of the estimate provided (whichever is greater), communicates with ADEM Resource Manager for approval to award.
- 17.4.3 Issues purchase order.
- 17.4.4 Makes distribution of documents as follows:
  - Retains WHITE (PROCUREMENT) copy in Purchase Office.
  - Faxes or mails WHITE (VENDOR) copy to the vendor.
  - Sends PINK copy to Comptroller.
  - Sends CANARY copy to ADEM Resource Manager.
  - Sends GOLDENROD to J-4, Emergency Operations Center.

## 17.5 FOLLOW-UP RESPONSIBILITIES

17.5.1 After the purchase has been made by the Procurement Office, J-4 will be sent the GOLDENROD (Receiving) copy of the Form 005. J-4 shall ensure that all GOLDENROD copies are delivered to and signed by the person(s) responsible for receiving the goods and services. The GOLDENROD copy will then be forwarded to the Comptroller for payment to the vendor.

#### 18.0 INSTRUCTIONS FOR DEMA FORM 005 DISTRIBUTION

The DEMA Form 005 is to be used to requisition and receipt for all material, supplies, equipment, construction, and contractual services within the Department of Emergency and Military Affairs. To be used by the Procurement Office to contract and encumber funds, by the Comptroller to record encumbrances, expenditures and claims, and to be used in lieu of a purchase order as authorized by the State Accounting Office.

- 18.1 This is a six-part form. Distribution of copies are as follows:
- 18.1.1 GREEN: Originator's copy to record request.
- 18.1.2 WHITE (PROCUREMENT): Procurement Office copy to record encumbrance.
- 18.1.3 WHITE (VENDOR): Vendor copy to mail to vendor.
- 18.1.4 PINK: Comptroller copy. Makes copy and forwards to State Fixed Asset Manager.
- 18.1.5 CANARY: Confirming copy to be returned to Program Manager when funds have been encumbered. Retain in files for a minimum of five years.
- 18.1.6 GOLDENROD: Receiving copy to be validated by Program Manager upon receipt of commodity or service. Must be forwarded by Program Manager to the Comptroller before payment may be made.

## 19.0 INSTRUCTIONS DEMA FORM 005 COMPLETION

In order to ensure all copies of the Form 005 are legible, use of a typewriter to complete the form is mandatory.

The DEMA Form 005 contains many blocks which are used by not only the Originator, but also by the Comptroller and Procurement Office. Some of the blocks contain an asterisk (\*) while others contain a square black mark (•). Those blocks marked with a square black mark (•) are to be completed by the Procurement Office. Only those with an asterisk (\*) are to be completed by the Originator, the Fund Manager, or Comptroller as follows:

#### 19.1 ORIGINATOR

- 19.1.1 DOC DATE: This block should contain the date the Requisition was originated.
- 19.1.2 SHIP TO/POC and WILL CALL: If the procurement item is to be shipped to an individual or building number, circle "SHIP TO/POC", and enter the building

number and complete the "ATTN" block. If the procurement item is to be picked up at the Vendor's place of business, circle "WILL CALL".

- 19.1.3 SUGGESTED VENDOR: If the Requester has a recommendation for a Vendor, complete these blocks. Otherwise leave them blank.
- 19.1.4 QTY: Indicate the quantity of units you wish to be procured.
- 19.1.5 UNIT: Indicate the unit of measure requested:

BF, Board Foot CT, Carton CY, Cubic Yard BT, Bottle BX, Box DR, Drum CF, Cubic Foot DZ, Dozen EA, Each CN, Can CS, Case FT, Foot GL, Gallon HR, Hour GR, Gross IN, Inch

19.1.6 DESCRIPTION: Provide a detailed description of exactly what is wanted. As applicable, identify colors, voltage required, single phase, double phase, size, etc. This information cannot be too lengthy. This description should include as many of the following 11 characteristics that apply:

## **CHARACTERISTIC**

## **EXAMPLES**

a.	Common nomenclature	copier (not "Minolta"); PVC pipe; marine battery
b.	Kind of material	plastic; stainless steel
c.	Dimensions, size, capacity	W x L x D; 350 gals; size 8½; holds 250 sheets
d.	Principles of operation	60 PSI; copies per minute; 350 GPM
e.	Electrical data	110V; 250W
f.	Restrictive conditions	must comply with ANSI-Z87.1
g.	Location within an assembly	left side mounted
h.	Essential operating conditions	compatible with
i.	Equipment which the item/service is used	for 1983 Ford 150, 351 V-8
j.	Other description	cobalt blue; installed; catalog page; part

19.1.7 BILL TO: Depending on the Division in which you work, enter either "A" or "C" in the line "DEMA-RM ."

number

## 19.2 FUND MANAGER:

- 19.2.1 AZ CONTRACT AGREEMENT NO: If the commodity is on a State Contract, put the Contract Number in this block (i.e. 00012AG or 00612AA).
- 19.2.2 EEIC/AMSCO CODE: If the commodity is to be paid from any of the several Cooperative Funding Agreements, identify the applicable EEIC number (ANG agreements, only) or the AMSCO number (ARNG agreements, only).

- 19.2.3 INDEX: Identify the proper index number.
- 19.2.4 PCA: Identify the proper PCA number.
- 19.2.5 COMP OBJ: Identify the proper COMP OBJ number.
- 19.2.6 AGENCY INFORMATION AND APPROVAL: Enter the appropriate information in the following blocks:
  - · Control No.
  - Job/Work Order No.
  - Facility No.
  - Bldg. No.
- 19.2.7 APROVED BY FUND MGR: If the procurement is approved, sign, date, and forward all five (5) copies to Comptroller.
- 19.3 COMPTROLLER:
- 19.3.1 INDEX: Confirm INDEX number.
- 19.3.2 PCA: Confirm PCA number.
- 19.3.3 COMP OBJ: Confirm COMP OBJ code.
- 19.3.4 APPROVED BY COMPTROLLER: If funds are available, sign, date, and forward all five (5) copies to Procurement Office.
- 19.4 PROCUREMENT OFFICE:
- 19.4.1 Procurement Agent determines what type procurement action should be taken.
- 19.4.2 Makes the procurement as expeditiously as is possible.
- 19.4.3 Issues the Purchase Order.

## 19.4.4 Makes distribution of documents as follows:

- Retains WHITE (PROCUREMENT) copy in Procurement Office.
- Sends WHITE (VENDOR) copy to the vendor.
- Sends PINK copy to Comptroller.
- Sends CANARY copy to Fund Manager.
- Sends GOLDENROD copy to Receiver.

## 19.5 RECEIVER:

- 19.5.1 If commodity received is complete, check the "complete" box on the GOLDENROD copy, sign in the "received by" section, check "yes" "okay to pay" section, enter date received, and forward to the Comptroller.
- 19.5.2 If for any reason the commodity or service received is partially received, coordinate with Procurement Office to determine if the new delivery date for the remainder of the order is acceptable, ascertain how payment will be invoiced (will an invoice be submitted for partial delivery), and:
  - If new delivery date is acceptable and invoice WILL NOT be sent until full delivery has been made, wait for complete delivery before signing receiving copy.
  - If new delivery date is acceptable and invoice WILL be sent before full delivery is made, make a copy of the "Receiving Copy", check the "partial" and "OK to pay" "yes" blocks and send to the Comptroller.
  - If new delivery date is unacceptable, cancel remainder of order with Procurement Office, line out deleted items on the receiving copy, and authorize a partial payment by checking the "partial" and "complete" boxes, signing in "received by" section, entering date of receipt, checking "yes" "OK to pay" sections, and send to the Comptroller.
  - Either the Originator or the Fund Manager should enter their estimated cost of the procurement item(s) in the "NOTE" area at the bottom of the form.

## 20.0 CHANGES IN PROCUREMENT COSTS

Quite often a Contractor is unable to provide a firm estimate of the job requirements until a detailed investigation has been made. Typical situations include: refrigeration equipment repairs; plumbing problem; gas and water line repairs; and walk-in cooler problems. As a result, changes in the amount of an awarded contract may be necessary. The procedures established below shall be followed when changes occur.

- 20.1 Procurement utilizing a purchase order.
- 20.1.1 When a decrease in the contract amount is experienced, action need not be taken, unless the fund manager determines it to be in his/her best interests to decrease an encumbrance (example: encumbrances made over the period of a year for trash services, etc.). In that event process the DEMA Form 041-1/94, Procurement Change Order (see Attachment #5).
- 20.1.2 When an increase in the contract amount is experienced regardless of the amount, a DEMA Form 041 must be initiated by the Program Manager, or his/her representative, identifying the Purchase Order number, the Vendor/Contractor, original amount of Purchase Order, amounts of previous changes, amount of increase, total amount of Purchase Order as a result of the increase, the reason for the increase, and certification that the increase is within the scope of the funding authority and that funds are available.
- 20.1.3 Program Manager forwards the Procurement Change Order to the Comptroller for certification of availability of funds.
- 20.1.4 Comptroller forwards the Procurement Change Order to the Procurement Manager who issues the increase to the Contractor, with information copies to the Comptroller and Program Manager.
  - NOTE: CHANGE ORDERS WHICH WOULD INCREASE THE ORIGINAL AMOUNT OF ANY PROCUREMENT TO AN AMOUNT IN EXCESS OF \$10,000 MUST BE BROUGHT TO THE IMMEDIATE ATTENTION OF THE PROCUREMENT MANAGER.
- 20.2 Procurement not utilizing purchase orders. These would normally include a construction contract or a one-time purchase in excess of \$10,000.
- 20.2.1 When an increase or decrease in the contract amount is experienced, a GSA Standard Form 30, Amendment of Solicitation or Modification of Contract (see Attachment #6), must be prepared by the Procurement Manager. The Program

Manager, or his/her representative, must justify the reason for the increase or decrease. He/she must also obtain a detailed cost proposal from the Contractor.

NOTE: For construction contracts, the Contractor's proposal must be broken down by labor, materials, rental equipment, overhead and profit not to exceed ten (10%) percent, plus taxes, bonds, and insurance, if applicable. Obtain Architect-Engineer recommendations (if applicable), and forward all documents to the Procurement Manager with recommendations, and certification (if an increase) that the increase is within the scope of the funding authority and that funds are available.

20.2.1 Upon receipt of the above information, the Procurement Manager will prepare the Standard Form 30, obtain certification from the Comptroller that tangible funds are available, acquire the signature of the Contractor, and forward to the State Procurement Administrator, or Facilities Planning and Construction Office, as applicable, for approval. If approved, the Procurement Manager will sign the document and issue the Change Order to the Contractor and other interested parties.

The proponent of this directive is the Department Procurement Manager. Users are invited to send comments and suggested improvement on DA Form 2029 (Recommended Change to Publication) to OTAG, AZ, ATTN: DEMA-RMC (61621A.DTV) 5636 East McDowell Road, Phoenix, AZ 5008-3495.

DISTRIBUTION:

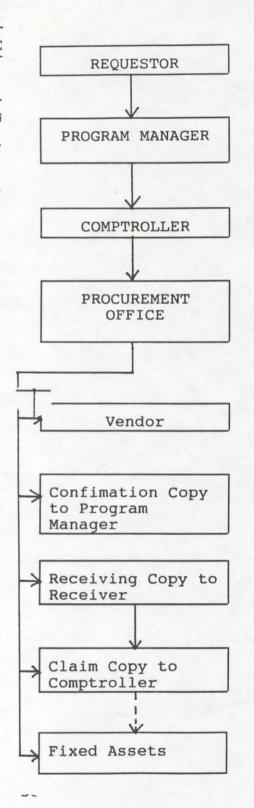
BY ORDER OF THE GOVERNOR:

THE ADJUTANT GENERAL

COL John A. McMurc Resource Manager

Special

#### ROUTINE PROCUREMENT PROCEDURES



Establishes requirement. Identifies commodity, full description, suggested vendor. Retains Green copy and sends others to the Program Manager.

Determines if procurement is with scope of funding authority and if funds are available. Assigns INDEX, PCA and COMP OBJ codes. Signs and fowards to Comptroller.

Certifies availability of funds. Confirms codes. Signs and forwards all copies to the Procurement Office.

Initiates procurement action in accordance with applicable state or federal directives depending on source of funding. Files White (Procurement) copy. Makes Fixed Assets copy and forwards to the State Fixed Assets Manager. Distributes all copies.

Delivers commodity or service. Sends invoice to Comptroller.

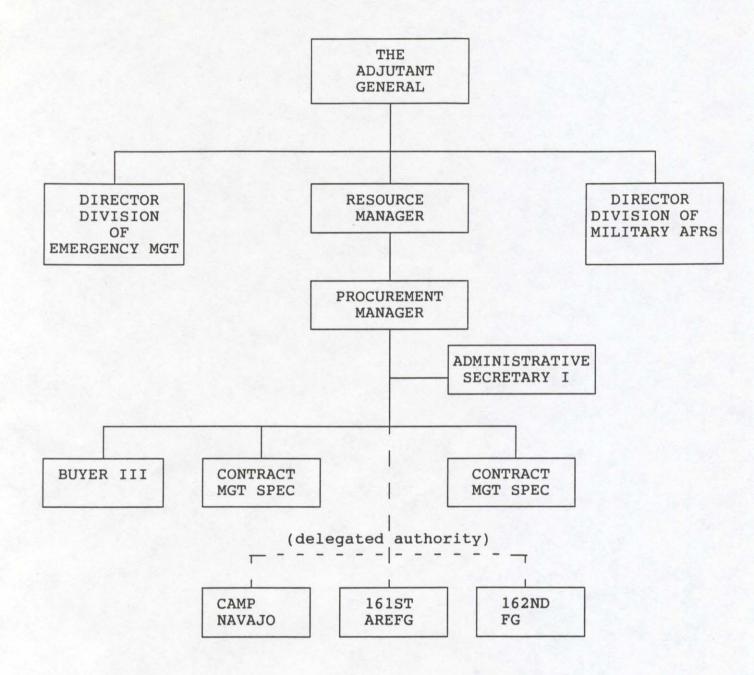
Program Manager's file copy of purchase order.

Upon receipt of commodity or service, signs and dates the Receiving Copy and forwards to Comptroller.

Encumbers funds. Issues payment after having received the Receiving Copy and a valid invoice. Makes copies of claims of capital equipment and forwards to Fixed Assets.

State Fixed Assets Manager adds equipment to Fixed Assets records.

## DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS



## OFF-CONTRACT PURCHASE AUTHORIZATION

STATE PROCUREMENT OFFICE 1008 W. ADAMS, RM 220 PHOENIX, ARIZONA 85007-2687 (602) 542-5511

Use this form to request the authorization to purchase off-contract items and services as a substitute for contract items.

(See Arizona Procurement Policies and Procurement Manual Section 2-401)

1.	. Reference Applicable Commodity Code:	
2.	. Reference Current Arizona Contract Number:	
3.	. Describe current contract equipment or service, including model number, manuf available vendor, as applicable:	acturer and
4.	Describe requested equipment or service, including model number, manufa available vendor(s), as applicable:	cturer and
	. What specialized work, additional advantages and benefits will be performed by equipment now on contract? (No alone is not sufficient justification.)	ned by the ote: Price
6.	. Suggested vendor(s) for proposed equipment/service:	
	Name:	
	Address:	
	Phone No.: Contact:	
7.	. Price Comparison:	
	Current Contract Item:	
	Requested Item:	
8.	NOTE: If competitive quotations have been received, please include copy o quote.	f vendor's

(OVER)

(X)	Requisition	11	Purchase Order [ ] (	Claim	Depart	STATE O IIZO ment of Emergency and (602) 267-2699	Military Affairs		PI	URCHASE ORDER	NO,	0	
EEIC/AMSCO AZ Contract No. Doc Date Index PC.			PCA	AY	Comp Obj	- 1 = 4	BA	TCH HEADER					
				15 Sep 97	14000	78025	97	7544	AGY	DATE	TYP		NO
Nan	ne		Suggested Vendor Pace Hardward	9		Ship To Ft. Huachuca T	raining S	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Call) Actua	al Vendor			
Stre	eet		1234 East 1s	t Street		H3-Road East		BLDG 71222					
City	/State/ZIP		Anytown, AZ	85636		Ft. Huachuca,	AZ 85613-	-1032					
Cor	itact Perso	n	Susan Doe			Sgt Frank Smi	.th						
Pho	ne No.		(520) 555-36	50		(520) 555-3838	3						
FAX	(No.		(520) 555-27	***************************************		(520) 555-7576							
#	Qty	Unit		Description			Unit Price	Extended	SFX	TC Invoice N	o. Amount	R	Disc
1	1	QTR	(i) For purifixtures  (ii) Not to  (iii) Not to  (iii) Not to  (iv) Total p  \$500.00.  (v) Period (  (vi) "I have requirements and this black  John Doe  (vii) Custom (viii) Store	chase of miscell s & supplies use exceed \$25.00 p o exceed \$75.00 purchases on thi of BPO is 01 OCT e read and will s of DEMA Direct anket purchase of mer Account No: e #567, POC: Mr.	per line per trans BPO not per to comply tive 40.  Jane D	ilding maint.  item. insaction. iot to exceed  31 DEC 97. with the 2, para. 9.6.4	\$500.00	\$500.00	SAMPLE C				18 785 HELIO
FAC	C CONTRO	OL NO.	Service Mgr D-6BPO-2nd	FAC # J10		Est. Delivery	Tax ( )% Receiving Information				-		
			10-97-02	BLDG #71222			Freight Circle one: Complete			Partial	PartialCancel		
		*************	*******************************	71222 20)555-888 Pate 01	LOCT 97		Total	AF00 00	Receive	ed by	OK to	Pay Y/I	N?
	orvd by Fu			Date		Doc Amt	Warrant No.	\$500.00 AGY OF		UR DOC	REF DOC	SFX	MOD
App	orvd by Co	mptroller		Date		1000年五年期		通 11分	3 6			135	
Re	prvd by Pro q No. 144			Date dered by	Da	State Accounting 5636 East McD Phoenix, AZ 85	owell Road	D) and in exami appropriate from contral	spected, that the ned this claim, tha priated or are other orn a federal grant,	quantities are as stated at the expenditure is for er wise available for pay contract or source, this	at the items invoiced abo and the condition is satist a valid public purpose an ment of this claim, and th claim is allowable under it t claimed is hereby appro-	factory, that d that funds at if the avail the terms of t	I / we have have been ilable funds

		BLANKET PURC	CHASE ORDER CAL	L REGISTER	
PURCHA	SE ORDER #:		EXPIRATI	ON DATE:	
ENDOR	:		TELEPHONE:		
UTHOR	IZED BUYERS	:			
MOUNT	OF ENCUMBE	RANCE: \$			
CALL	DAME	DI AGED DV	AMOUNT OF		T
CALL #	DATE	PLACED BY	AMOUNT OF PURCHASE	BALANCE	WORK ORDER #
1			\$	\$	
2			\$	\$	

CALL #	DATE	PLACED BY	AMOUNT OF PURCHASE	BALANCE	WORK ORDER #
1			\$	\$	
2			\$	\$	
3			\$	\$	
4			\$	\$	
5			\$	\$	
6			\$	\$	
7			\$	\$	
8			\$	\$	
9			\$	\$	
10			\$	\$	
11			\$	\$	
12			\$	\$	
13			\$	\$	
14		1	\$	\$	
15			\$	\$	
16			\$	\$	
17			\$	\$	

Reviewed by:\_\_\_\_\_ Date:\_\_\_\_

## PROCUREMENT CHANGE ORDER

PURCHASE ORDER NUMBER:(Please a VENDOR/CONTRACTOR:	attach copy of PO)	
ORIGINAL AMOUNT OF PURCHASE ORDER:		
AMOUNT OF PREVIOUS CHANGES:		
AMOUNT OF THIS INCREASE/DECREASE:		
TOTAL OF PURCHASE ORDER AS A RESULT OF THIS INCREASE/DECREASE:		
REASON FOR THIS INCREASE OR 1	DECREASE:	
APPROVED BY PROGRAM MGR:	DATE:	
(Sie	gnature)	ī
APPROVED BY	DATE:	
COMPTROLLER:(Si	gnature)	_
APPROVED BY		
PROCUREMENT		
AGENT:	DATE:	
Distribution: Orig file Copy Acct Copy Prg Mgr Copy Vendor (if appl.) DEMA FORM 023-7/94	gnature)	

AMENDMENT OF SOLICITA	TION/MODIF	CATION	OF CONTRACT	1. 0	ONTRACT ID	CODE	PAGE OF PA
2. AMENDMENT/MODIFICATION NO.	3. EFFECT	IVE DATE	4. REQUISITION/PUR	CHAS	E REQ. NO.	5. PROJEC	T NO. (If applied
SSUED BY	CODE		7. ADMINISTERED BY	Y (If or	ther than Item	6) CODE	
8. NAME AND ADDRESS OF CONTRACTOR	R (No., street, coun	ty, State and	ZIP Code)	(4)	9A. AMENDA	MENT OF SO	LICITATION NO
					9B. DATED (	SEE ITEM 11	)
					10A. MODIFI NO.	CATION OF	CONTRACT/OF
CODE	FACILITY	ODE		4 1	10B. DATED	(SEE ITEM 1	3)
			AMENDMENTS OF S	OLICI	TATIONS		
IT MODIF	ATA (If required)  MAPPLIES ONLIES THE CONTE	Y TO MOD	IFICATIONS OF CON	ITRAC	CTS/ORDER	S,	date specimes.
(V) A. THIS CHANGE ORDER IS ISSUED P TRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRAC appropriation date, etc.) SET FORTH					O3(b).	(such as cha	iges in paying of
D. OTHER (Specify type of modification	and authority)						
IMPORTANT: Contractor is not	, is require	d to sign th	is document and return	1	copies	to the issuir	ng office.
except as provided herein, all terms and condition	ons of the documen		in Item 9A or 10A, as here	etofore	changed, rema	ilns unchange	d and in full force
1. NAME AND TITLE OF SIGNER (Type or			16A. NAME AND TITLE				
5B. CONTRACTOR/OFFEROR	15C. DA	ATE SIGNED	16B. UNITED STATES	FAME	ERICA		16C. DATE SIGN

NSN 7540-01-152-8070 PREVIOUS EDITION UNUSABLE

(Signature of person authorized to sign)

(Signature of Contracting Officer)

# DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS PROGRAM MANAGER APPOINTMENT

INDEX CODE:PCA CODE:
PCA CODE:
PCA CODE:
PCA CODE: PCA CODE:
PCA CODE:
PCA CODE:
ppointed as Program Manager and Alternat ted program:
Signature
Signature
Signature
Signature
Date:
a 5

## DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

## ACTIVITY MANAGER APPOINTMENT

PROGRAM:		
ACTIVITY:		
FUND SOURCE:		
MIPR, EEIC OR AMSCO CODE	PCA CODE:  PCA CODE:	
The below listed individuals are a Activity Managers for the above li	oppointed as Activity Manager and Alterna	te
Activity Manager (Type Name)	Signature	
Alternate Activity Mgr. (Type Name	) Signature	
Alternate Activity Mgr. (Type Name	) Signature	
Alternate Activity Mgr. (Type Name	) Signature	
Recommendation Approved by:		
Program Manager (Type Name)	Signature	
Appointed by:		
Division Director	Date:	
DIVISION DILECTOR		